

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 13, 1995

SUBJECT: **SB 1113 - HB 1418**

This bill, if enacted, amends the Franchise Tax by removing from the minimum measure *the value of inventory of a corporation whose primary purpose is the delivery or distribution of goods, wares or merchandise when the inventory is stored or brought to rest in warehouses or other storage facilities located in the state of Tennessee*. Presently, the value of inventory and work in progress is included in the minimum measure of the corporate franchise tax.

The fiscal impact from enactment of this bill is estimated to be a decrease in first year state revenues to the extent taxpayers qualify for this exemption. A reasonable estimate of the decrease cannot be determined but is estimated to exceed \$1,000,000.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director